

**TALKING POINTS:**  
**REPUBLICAN PROPOSAL FOR REPEAL OF THE SINGLE BUSINESS TAX**

- Governor Granholm has challenged Michigan's Republican leadership to protect citizens as we replace the Michigan Single Business Tax (SBT).
- The Governor wants to repeal the SBT, but she will not do so at the expense of citizens. She has repeatedly said she will not allow the Republican leadership to shift the business tax burden to citizens.
- She wants a guarantee from Republicans that no plan to replace the nearly \$2 billion in revenue from the business tax will increase taxes for citizens or slash funding for health care and education or police and fire services.
- The Republicans have been unwilling to guarantee that they will not hurt citizens or critical services like education and police and fire.
- The Governor would sign their bills to repeal the SBT today if they'd simply guarantee her that their plans to replace the revenue will not hurt citizens.
- In order to make up for the \$2 billion in lost revenue, we will have two options:
  - Raise taxes on Michigan families by \$2 billion – that's \$800 per family
  - Cut spending by \$2 billion – that would mean devastating cuts to health care, education and public safety
- Since taking office, Governor Granholm has eliminated more than \$4 billion in budget deficits by making tough choices and eliminating waste. She understands that cutting \$2 billion more from the budget will threaten critical programs that citizens rely on everyday.
- More than a year ago, Governor Granholm proposed a responsible, revenue neutral plan to provide Michigan businesses with tax reform without threatening critical state services or asking Michigan families to pay more. The legislature needs to do the same.
- Call your Senator and Representative. Tell him/her to give the Governor a bill she can sign.
- **Tell them not to cut critical services like health care, education or police and fire services.**
- **Tell them NOT to raise taxes on families.**
- **Tell them simply to guarantee that they won't hurt citizens or services.**

## SBT Elimination Threatens Critical State Programs

The SBT raises roughly \$2 billion per year in general purpose (General Fund) revenues. These revenues are used to fund approximately 20% of the general budget.

Eliminating the SBT would raise taxes on individuals, gut higher education funding, let prisoners out on the streets, etc. To make up the lost revenue, Michigan could:

- Increase taxes \$800 per year for a family of four.
- **OR** eliminate all funding for state colleges and universities (Higher Education budget = \$1.8 billion.).
- **OR** combine a series of cuts, including **eliminating** local police and fire services:
  - Eliminate funding to prisons: \$ 1,100,000,000
  - Eliminate local funding for services like police & fire: \$ 422,000,000\*
  - Eliminate funding to community colleges: \$ 275,000,000
  - Eliminate funding for State Police troopers: \$ 120,000,000
  - Eliminate funding for veterans programs: \$ 38,000,000
  - Eliminate funding for Office of Services to the Aging: \$ 34,000,000
  - TOTAL** **\$ 1,989,000,000**
- **OR** combine an alternative series of cuts:
  - Eliminate funding to prisons: \$ 1,100,000,000
  - Eliminate funding to community colleges: \$ 275,000,000
  - Cut health care to 70,500 seniors, children and pregnant women \$ 140,000,000
  - Eliminate funding for State Police troopers: \$ 120,000,000
  - Eliminate non-Merit college scholarships \$ 65,000,000
  - Eliminate day care for low-income working families \$ 54,000,000
  - Eliminate Rx drug coverage for seniors \$ 30,000,000
  - Eliminate funds for Coop Extension programs \$ 26,000,000
  - Eliminate inspections of nursing homes and day care centers \$ 14,000,000
  - Eliminate job training programs \$ 10,000,000
  - Eliminate after school programs \$ 8,000,000
  - Eliminate food safety inspections \$ 7,000,000
  - TOTAL** **\$1,849,000,000**
- **OR** enact a balanced plan that lowers taxes for most businesses that pay the tax but does not force cuts in services or tax increases for citizens, as the Governor has proposed.